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ABSTRACT

This document reports the results of a study to determine whether changes made in the Neighborhood Youth Corps' in-school component helped to decrease the school dropout rate among participants. Surveys of programs in Harris County, Texas, Norfolk, Virginia, and the Washington metropolitan area provided the data. Overall findings suggest that the in-school program has not changed dropout tendencies, indicating therefore that this component of the program has no significant effects on whether disadvantaged youth remain in school. Difficulties of the program and its problems are discussed in detail. (SN)

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REPORT TO THE CONGRESS

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Difficulties Of The Neighborhood Youth Corps In-School Program And Its Management Problems

B-130515

Department of Labor

BY THE COMPTROLLER GENERAL OF THE UNITED STATES

FEB. 20, 1973

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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-130515

To the President of the Senate and the
Speaker of the House of Representatives

This is our report on difficulties of the Neighborhood Youth Corps in-school program and its management problems. The Department of Labor administers the program.

We made our review pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

Copies of this report are being sent to the Director, Office of Management and Budget; the Secretary of Labor; and the Director, Office of Economic Opportunity.

Elmer B. Staats

Comptroller General
of the United States

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ABBREVIATIONS

DCMA	District of Columbia Manpower Administration
GAO	General Accounting Office
NYC	Neighborhood Youth Corps
OEO	Office of Economic Opportunity
RMA	Regional Manpower Administrator

COMPTROLLER GENERAL'S REPORT TO THE CONGRESS

DIFFICULTIES OF THE NEIGHBORHOOD YOUTH CORPS IN-SCHOOL PROGRAM AND ITS MANAGEMENT PROBLEMS
Department of Labor B-130515

D I G E S T

WHY THE REVIEW WAS MADE

The Neighborhood Youth Corps (NYC) program--numerically the largest manpower program--provides training and work experience and other services to youths from low-income families. Its purpose is to encourage these youths to stay in or return to school or to provide them with training for productive jobs.

This report concerns the in-school component of the NYC program, which provides paid work experience and support services to disadvantaged youths to encourage their continued enrollment in school.

Community sponsors--public or private nonprofit agencies--plan, administer, coordinate, and evaluate the NYC program.

The Department of Labor allocated about $59.1 million to finance the participation of about 95,000 youths in the in-school program in fiscal year 1971.

The General Accounting Office (GAO) previously reported on the NYC program to the Congress on March 18, 1969, and in several supplementary reports. GAO's earlier reviews indicated that participation in the in-school and summer programs had no significant effect on whether a youth from a low-income family continued in school. Subsequently, the Department announced a general overhaul of the NYC program to reduce dropout rates.

GAO reviewed the 1970-71 in-school program to see whether these changes had improved the program's effectiveness. Its review was made in Harris County, Texas; Norfolk, Virginia; and the Washington metropolitan area.

FINDINGS AND CONCLUSIONS

The effect of the in-school program on dropout tendencies has not changed.

Youths enrolled in Harris County, Texas, and the Washington metropolitan area in-school programs dropped out at about the same rate as those who were eligible for the programs but who were not enrolled. GAO could not evaluate the effect of the program on reducing dropouts in Norfolk because of the inadequacy of the sponsor's records.

Although the goal of the in-school program is to help youths from low-income families stay in school, GAO's latest review, as had its earlier reviews, showed the sponsors did not consider an applicant's dropout potential in determining his eligibility. (See p. 9.)

In October 1971 the Department told GAO that it planned to reassess the dropout-potential aspects of the eligibility criteria to improve selection of eligible youths and that it would try to get program sponsors to follow prescribed eligibility criteria.

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The Department advised its regional offices in August 1972 that its list of dropout-potential characteristics might soon be revised and emphasized that, in the meantime, all in-school and summer projects should be reminded to fully use the current dropout characteristics data along with other enrollment requirements. (See p. 18.)

The Department has recognized the importance of providing meaningful work experience and training under the in-school program. However, many enrollees did not have meaningful jobs. Sponsors need to develop meaningful and diversified work assignments, consistent with the occupational goals or interests of the enrollees. (See p. 21.)

The quality of counseling provided to enrollees varied among the sponsors. Counseling should be available at the start of program operations, individual counselors' workloads should be manageable, and sponsors should establish formal counseling programs and carry them out systematically. (See p. 26.)

Although poor school achievement is one of the primary characteristics of the potential dropout, most of the enrollees in apparent need of remedial education were not receiving it. (See p. 32.)

The Department needed to monitor sponsor operations more effectively to better insure compliance with NYC contracts and departmental guidelines. The Department issued a handbook in July 1971 providing for systematic monitoring of manpower programs and components. The monitoring system, as set forth in the handbook, should provide a basis for realistic assessments of sponsors' program activities. Effective monitoring depends on the availability and effective implementation of good guidelines. (See p. 35.)

Controls over enrollee payrolls need to be improved to insure that accurate and complete records are maintained and unauthorized expenditures are avoided. (See p. 39.)

RECOMMENDATIONS

The Department should:

--Complete its reassessment of eligibility criteria and develop whatever criteria it believes will best aid the desired target population and require sponsors to consider the dropout characteristics of applicants in making eligibility determinations to insure that only potential dropouts are enrolled in the NYC in-school and summer programs. (See p. 19.)

--Emphasize to sponsors the need for developing meaningful and diversified work assignments, consistent with the occupational goals or interests of the enrollees, and provide such technical assistance as may be needed to increase the availability of such work assignments. (See p. 25.)

--Emphasize to sponsors the importance of adequate and intensified counseling in encouraging dropout-prone youths to continue their schooling and, as part of its contract award procedures, insure that sponsors selected can provide adequate counseling for all enrollees. (See p. 31.)

--Emphasize to sponsors the objectives of the remedial education program, to maximize their acceptance and support of this

element of the in-school program, and, together with the sponsors, enlist the cooperation of the schools in identifying the remedial education needs of the enrollees and in insuring that those enrollees who would benefit from remedial education are offered the opportunity to receive it. (See p. 33.)

--Further emphasize to its regional offices the importance of effectively implementing the new monitoring guidelines. (See p. 38.)

--Require program sponsors to develop and distribute written instructions on payroll procedures, including instructions to properly and accurately record enrollees' work time, and emphasize to its program monitors the need for insuring that sponsors comply with the Department's financial requirements for payroll operations. (See p. 40.)

AGENCY ACTIONS AND UNRESOLVED ISSUES

The Department agreed that correction was needed in all areas discussed in this report and advised GAO that new guidelines would soon be sent to the field to eliminate or diminish the problems cited. (See app. I.)

MATTERS FOR CONSIDERATION BY THE CONGRESS

Information on the effectiveness and management of the NYC program should assist the Congress in its deliberations on extending existing, and enacting new, manpower legislation.

CHAPTER 1

INTRODUCTION

The Neighborhood Youth Corps (NYC) program is a manpower program authorized by the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2740). The program is administered by the Department of Labor pursuant to a delegation of authority dated October 23, 1964, from the Director, Office of Economic Opportunity (OEO). The program is intended to provide paid training and work experience and supportive services needed by youths from low-income families to encourage them to resume or continue their schooling or to assist them to develop their maximum occupational potential and to obtain regular competitive employment.

NATURE OF NYC PROGRAM

Sections 123(a)(1) and (a)(2) of title IB of the act authorize the Director, OEO, to formulate and carry out programs to provide

--part-time employment, on-the-job training, and useful work experience for students who are from low-income families and are in the ninth through the 12th grades (or who are of an age equal to that of students in such grades) and who need the earnings to permit them to resume or maintain attendance in school or

--useful work and training (which must include sufficient basic education and institutional or on-the-job training) designed to assist unemployed, underemployed, or low-income persons (aged 16 and over) to develop their maximum occupational potential and to obtain regular competitive employment.

To achieve the first objective, the Department established the in-school and summer components of the NYC program. To achieve the second objective, the Department established the out-of-school component of the NYC program.

The in-school program, historically, has emphasized providing paid work experience to economically disadvantaged students thereby encouraging their continued school enrollment. The Department has concluded, however, that other services to

enrollees can be as important as financial assistance in encouraging continued school attendance. The Manpower Report of the President--transmitted to the Congress in March 1970--stated that the Department's goal was to develop a more individually oriented program that would include remedial education and tutoring to improve enrollees' academic achievement, skill training, and work experience, as well as cultural enrichment activities and personal and vocational counseling.

Under the 1970-71 in-school program, enrollees were authorized to work an average of 10 hours a week during the approximately 38-week program year. The minimum wage for enrollees was $1.45 an hour from the beginning of the program year, September 1, 1970, through January 31, 1971, and $1.60 an hour from February 1, 1971.

PROGRAM ADMINISTRATION AND FUNDING

The Department's Manpower Administration administers the NYC program. Within the Manpower Administration the program is under the jurisdiction of the Office of Employment Development Programs,[1] the 10 Regional Manpower Administrators (RMAs), and the Administrator, District of Columbia Manpower Administration (DCMA). RMAs contract, within their respective regions, with sponsors for NYC projects and administer and monitor the contracts. The Administrator, DCMA, carries out these activities in the Washington metropolitan area.

The Economic Opportunity Act provides that Federal assistance to programs under sections 123(a)(1) and (a)(2) generally not exceed 90 percent of the cost of such programs, including administrative costs. Non-Federal contributions may be in cash or in kind, including but not limited to plant, equipment, and services. The Department allocated about $59.1 million to fund NYC in-school program activities in fiscal year 1971. The Department reported that about 95,000 youths had participated in the in-school program during this period. OEO data indicates that there are over 1 million disadvantaged youths who could benefit from the program.

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[1]Before December 16, 1971, the U.S. Training and Employment Service administered the NYC program.

The Department designates sponsors and provides funds to carry out the NYC program in given areas. The act provides that the sponsor be a public or private nonprofit agency capable of planning, administering, coordinating, and evaluating the program.

Sponsors generally submit project proposals to the office of the appropriate RMA. Representatives from these offices assist the sponsors in preparing their proposals and also provide technical assistance and monitor the program.

Sponsors generally receive initial advances of funds; thereafter, they receive payments on the basis of invoices supporting actual expenditures.

IN-SCHOOL PROGRAM ACTIVITIES AT LOCATIONS REVIEWED

Under contracts with the project sponsors, the Department authorized Federal funds totaling about $1.6 million to finance 2,367 enrollment opportunities in the NYC in-school program for fiscal year 1971 at the three locations reviewed. The following summary shows the authorized Federal funding and enrollment opportunities at each location for fiscal year 1971 covering the 1970-71 school year.

Location and sponsor	Authorized enrollment	Authorized Federal funds	Area serviced
Harris County, Texas:			
Crescent Foundation, Inc.	152	$ 108,280	Harris County, including the city of Houston
Harris County Department of Education	185	130,430	
Neighborhood Centers Day Care Association	185	186,780	
	522	425,490	

Location and sponsor	Authorized enrollment	Authorized Federal funds	Area serviced
Norfolk, Virginia: Southeastern Tidewater Opportunity Project	175	$ 181,100	The communities of Norfolk, Portsmouth, Chesapeake, Virginia Beach, Franklin, and Suffolk and Nansemond and Isle of Wight Counties
Washington metropolitan area: United Planning Organization	1,670	969,000	The cities of Alexandria, Virginia, and Washington, D.C.; Arlington and Fairfax Counties, Virginia; and Montgomery and Prince Georges Counties, Maryland.
Total	2,367	$1,575,590	

All five sponsors had been associated with the NYC program since the early days of its operation. The Southeastern Tidewater Opportunity Project--with approximately 5 years' association with the program at the start of the 1970-71 in-school program--represented the most recent of the sponsor participants. For the 1971-72 school year, the Department designated the Neighborhood Centers Day Care Association as the sponsor of the in-school program in all of Harris County.

CHAPTER 2

PARTICIPATION IN NYC IN-SCHOOL PROGRAM HAD NO SIGNIFICANT EFFECT ON KEEPING YOUTHS IN SCHOOL

Our prior reviews of the NYC in-school and summer programs indicated that participation in the NYC program had no significant effect on whether a youth from a low-income family continued in school and that program sponsors generally had not considered an applicant's dropout potential in determining eligibility. A study by the University of Wisconsin of the in-school and summer programs similarly concluded that the NYC program was generally ineffective in reducing dropouts among economically disadvantaged youths.

In March 1970 the Department announced a general overhaul of the NYC program to reduce dropout rates. The program was to be reordered to provide a more individually oriented program, offering real preparation for employment through remedial education and improved training, work experience, and counseling, to students deemed potential dropouts.

Our latest review, which covered NYC activities during the 1970-71 school year, was made at three locations not covered in our prior reviews, namely Norfolk, Harris County, and the Washington metropolitan area. Our review indicates that the effectiveness of the program in reducing the number of dropouts has not been improved.

PRIOR GAO EVALUATIONS OF IN-SCHOOL PROGRAM

We evaluated the NYC program at 11 locations in 1968 pursuant to title II of the Economic Opportunity Amendments of 1967 (42 U.S.C. 2702 note). In our report to the Congress on the "Review of Economic Opportunity Programs" (B-130515, Mar. 18, 1969), which was supported by reports on the NYC program activities at the individual locations, we concluded that the great majority of the youths who had been enrolled in the NYC in-school and summer programs would probably have remained in or dropped out of school irrespective of their enrollment in the NYC program.

The relative ineffectiveness of the NYC program in reducing the number of dropouts seemed to result, in part, because the concept of the NYC program involved too simplistic an approach to bring about any dramatic results, given the complexity of the dropout problem and the variety of social and personal factors causing students to drop out. Certain officials associated with the NYC program had advised us that school dropout rates had increased in recent years because of a number of factors over which the NYC program generally had no control, such as weaknesses in the educational system causing student disinterest and unfavorable home environment.

During our previous reviews it appeared that, in addition to having limited potential for mitigating the dropout problem, the NYC program had been further handicapped by shortcomings in administration by both the Department and the sponsors. Although the Department had determined that enough NYC funds were available for enrolling only a small percentage of eligible youths, in the majority of cases reviewed, youths were generally enrolled in the in-school and summer programs without an evaluation of their dropout potential.

Sponors were not generally concerned with those characteristics of students, such as marginal school achievement and poor school attendance, which the Department and educational authorities had generally recognized as characteristics that could be associated with a potential dropout. Many sponsors appeared to be enrolling youths on a first-come, first-served basis. Some youths who exhibited high grades, low dropout potential, and work skills that could best be used by school officials were given enrollment preference.

In our report, we stated that, if it was intended that the NYC program mitigate the dropout problem in any significant way, greater flexibility should be provided in the use of funds. We stated also that it appeared that in these circumstances available funds might be more effectively used for such things as the enlargement of existing school curriculums to provide for vocational education and for more intensive and professional counseling and tutoring for potential dropouts.

STUDY BY UNIVERSITY OF WISCONSIN

The university, pursuant to a contract with the Manpower Administration, studied the NYC in-school and summer programs nationwide and issued a report[1] in July 1970. The study, which the Department considered authoritative, indicated that the NYC program had not attained its primary objective of encouraging youths from low-income families to stay in school.

The study examined whether participation in the NYC program resulted in increased number of years of high school completed, including graduation, and whether an enrollee's labor-market experience and earnings were improved after leaving high school. The study was based on a national sample of NYC participants and of non-NYC youths from the same high schools. The non-NYC youths (control group) and the NYC participants in the sample had certain similar sociodemographic characteristics, including age, sex, ethnic origin, family income, and father's education. We did not attempt to evaluate the adequacy of the data underlying the study's findings and conclusions.

Specifically, with respect to education benefits derived by participants from the NYC program, the study showed that:

--For the total sample, and for males and females taken separately, the NYC program had no statistically significant effect on the probability of an enrollee's graduation from high school or on the number of high school grades completed. The NYC program did, however, enhance the probability of high school graduation for two groups, Negro females and American Indians, who were about 12.5 percent and 14.6 percent,

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[1]A Cost-Effectiveness Study of the In-School and Summer Neighborhood Youth Corps, Gerald G. Somers and Ernst W. Stromsdorfer, University of Wisconsin, under contract with the Department of Labor, Manpower Administration, July 1970.

respectively, more likely to graduate from high school than their control group counterparts.

--Male NYC participants who graduated from high school were more likely to attend college or some other type of postsecondary educational institution than were their control group counterparts. Female NYC participants were not as likely as their control group counterparts to attend a postsecondary educational institution.

The study also indicated that participation in the NYC program resulted in post-high-school monetary benefits for enrollees who entered the labor market upon leaving high school. The average participant in the study sample earned $831, or about $45 a month, more than his control group counterpart during the 19-month average post-high-school period covered by the study. The data showed the Negro participants benefited more than white participants in comparison with their control group counterparts. Small sample sizes precluded determinations regarding post-high-school monetary benefits realized by members of other ethnic groups who participated.

The study attributed the higher post-high-school earnings mainly to their fewer months of voluntary withdrawal from the labor force compared with the control group. There were no statistically significant differences in total months involuntarily unemployed or in average hourly wage rates between the participants and the control group. The study concluded that the NYC program enhanced the earnings of participants mainly by encouraging greater labor force participation rather than by reducing unemployment or increasing productive skills--as measured by wage rates.

The university's report recommended:

--Including in the NYC program more intensive counseling to channel participants' new attitudes toward work into post-high-school labor markets; without such counseling the NYC jobs might encourage students to drop out.

--Further study of the relationship between dropouts and family income, to determine whether criteria other

than income should be considered for selection of participants.

--Further study to determine whether the NYC-jobs approach is the best method for reducing the number of dropouts.

--Devoting more time to training and skill acquisition in the NYC program, so that economic gains can be made because of increased productivity and employability rather than only from increased labor force participation.

--Concentrating more NYC program resources on Negroes since they appeared to have gained more from the NYC program than other ethnic groups in terms of educational attainment and post-high-school earnings.

The Department considered these recommendations in its plans to modify the priorities and direction of the in-school program.

LATEST GAO EVALUATION OF EFFECTIVENESS OF IN-SCHOOL PROGRAM

Our latest evaluation of the NYC in-school program also indicates that the program has had no appreciable effect on enrollees' decisions to remain in or drop out of school.

We compared dropout rates of randomly selected samples of youths enrolled in the program in Harris County and the Washington metropolitan area with the dropout rates of control group samples of youths who were eligible for enrollment but had not been selected at these locations because of limitations on authorized enrollments.

On the basis of our examination of applicable school records and advice to us by the Research Division of the National Education Association, we classified the sample into two categories: those students having dropout potential and those not having it. We considered students who had either poor scholastic achievement or poor attendance or who were over age in grade as potential dropouts.

The following schedules show the results of our analysis. Although no control group could be established for the Norfolk program because the sponsor did not retain records of unsuccessful applicants, the last schedule includes the classification of the randomly selected enrollee group for that program in terms of the enrollees' dropout potential.

Washington Metropolitan Area

	Total	Dropped out	Percent
NYC enrollees (sample group):			
Those having identified dropout potential	64	12	18.7
Those not having identified dropout potential	38	-	-
Total	102	12	11.8
Those for whom information was not gathered (note a)	7		
Total sample	109		
Nonenrollees (control group):			
Those having identified dropout potential	68	8	11.8
Those not having identified dropout potential	28	-	-
Total	96	8	8.3
Those for whom information was not gathered (note a)	4		
Total sample	100		

[a]Information about these youths was not gathered because they had graduated, had moved from the geographic area, or could not be located.

Harris County

	Total	Dropped out	Percent
NYC enrollees (sample group):			
Those having identified dropout potential	59	9	15.3
Those not having identified dropout potential	31	-	-
Total sample	90	9	10.0
Nonenrollees (control group):			
Those having identified dropout potential	68	9	13.2
Those not having identified dropout potential	22	-	-
Total sample	90	9	10.0

Norfolk

NYC enrollees (sample group):			
Those having identified dropout potential	53	-	-
Those not having identified dropout potential	24	-	-
Those whose dropout potential was not determinable	3	3[b]	-
Total sample	80	3	3.7

[b]No records were available for these youths to show dropout potential.

Our tests showed that, in both the Washington metropolitan area and Harris County programs, there was no statistically significant difference between the overall dropout rate for the enrollee sample and the control group or between the dropout rate of the enrollees having identified dropout potential and that of the control group having identified dropout potential. For the Washington metropolitan area program, 11.8 percent, or 12 youths, of the total enrollee group and 8.3 percent, or eight youths, of the

total control group dropped out. All the youths in both groups who dropped out had the identified dropout characteristics; dropouts constituted 18.7 percent of the 67 youths in the enrollee group having such characteristics and 11.8 percent of the 68 youths in the control group having such characteristics.

For the Harris County program, our tests showed that 10 percent--or nine youths--of the enrollee group and of the control group dropped out. All the dropouts in both the enrollee and control groups, as was the case in our sample of the Washington metropolitan area program, were youths with identified dropout characteristics. A total of 59 youths in the enrollee sample and 68 youths in the control group sample had the identified dropout characteristics. The dropout rate for these youths was 15.3 percent and 13.2 percent, respectively.

We recognize that it is not possible to develop fully comparable sample groups and that some differences may exist between participants and applicants determined to be eligible but unable to participate. However, the appropriateness of the use of characteristics, such as having poor scholastic achievement, having poor attendance, or being over age in grade, in determining a youth's dropout potential is evidenced by the fact that all 143 youths--93 in the enrollee groups and 50 in the control groups--not exhibiting these characteristics remained in school; the 38 dropouts, whose dropout potential we could identify, had one or more of these characteristics. We were unable to identify the dropout potential of the three dropouts in the Norfolk program because related records were not available.

DROPOUT POTENTIAL NOT CONSIDERED IN ENROLLING YOUTHS

Our review of records and discussions with officials showed that a youth's dropout potential was not considered in determining eligibility for enrollment in the 1970-71 in-school program.

The Department issued guidelines on June 17, 1970, listing 21 characteristics, which it stated were common to the potential dropout and should be considered by NYC sponsors--and others--for NYC program purposes. (See app. II.) These characteristics include the three characteristics--having poor scholastic achievement, having poor school attendance, and being over age in grade--that we used in identifying dropout potential, as well as additional characteristics such as being a member of a poverty-level household, having financial problems, and having frequent transfers from one school to another.

In the Norfolk and Harris County programs, the sponsors determined eligibility, and in the Washington metropolitan area program, DCMA, the sponsor, and subsponsors determined it.

Officials at each location informed us that their eligibility decisions were based primarily on whether an applicant met established family income, age, and school attendance requirements. The Department's Handbook for Sponsors, issued in April 1967, states that, for a youth to be considered for enrollment, he must be a member of a low-income family and (1) be attending the ninth through the 12th grades, (2) be of equivalent age and attending elementary school, or (3) be of equivalent age and not attending school and in need of paid work to resume and maintain school attendance.

One program sponsor informed us that it had attempted to identify and enroll those applicants with the strongest dropout potential but had had little success. This sponsor stated that minimal information was available to identify applicants with strong dropout potential and that the school systems considered most of the available school records confidential. This sponsor, consequently, was relying on the individual schools to make appropriate referrals of youth to the program.

Our discussions with officials at two such schools indicated that at one school the responsible official was not even aware that the program was aimed at the potential dropout and that officials at both schools selected only students who had satisfactory academic records and who possessed the skills necessary to perform the required jobs. Other sponsors and subsponsors with responsibility for eligibility determinations, as previously indicated, were relying solely on income, whether prospective enrollees were still in school, and determined age ranges--14 to 21 years of age--as the basis of eligibility for enrollment.

Officials of the three Harris County sponsors informed us that they were either unaware of or had not received the Department's list of dropout-potential characteristics.

Many of the youths in our sample group did not have the identified dropout characteristics. Specifically our analysis showed that:

--About 93, or 35 percent, of the 269 enrollees whose school records we could obtain had no identified dropout characteristics, such as having poor scholastic achievement, having poor school attendance, or being over age in grade. Records could not be located for 10 enrollees included in our sample.

--We interviewed the 93 enrollees whose records indicated that they were not potential dropouts and asked them whether they had ever seriously considered leaving school; 91 responded that they had not. The two enrollees who responded that they had considered leaving school did not do so.

Considering that the goal of the NYC program is to help potential dropouts, these results become significant, especially when 136, or 73 percent, of the 186 youths in our control groups for whom information was available evidenced high dropout potential but could not be accommodated in the program because of enrollment limitations.

Status of agency actions

The Manpower Administration advised us in October 1971 that, although it realized that many of the 21 dropout

characteristics listed in the Department's June 1970 guidelines might be consolidated, it did not feel that the three characteristics we used would be sufficient to identify potential school dropouts. The Manpower Administration informed us, however, that it contemplated reassessing the dropout-potential aspects of the eligibility criteria to improve the selection of eligible youths and that it would renew its efforts to have program sponsors follow the prescribed eligibility criteria. The Manpower Administration advised us also that the Department believed that closer coordination with school personnel was necessary to guarantee maximum use of the concept of recruiting enrollees with high dropout potential.

On August 18, 1972, the Department advised RMAs that the list of 21 dropout-potential characteristics might soon be revised and invited their suggestions for additions or deletions. The Department noted it had become increasingly apparent through program reviews and GAO reports that potential dropout characteristics were not being fully used in selecting enrollees for the in-school or summer programs and emphasized that, until they received a revised list of dropout characteristics, RMAs should remind all in-school and summer projects to fully use the dropout characteristics data along with other enrollment requirements.

Conclusion

The limited funding available for in-school programs provides for only a portion of the large number of disadvantaged students who are potential dropouts. Because of the practice by certain participating agencies to enroll youths with satisfactory grades and desirable work skills rather than youths who have dropout tendencies, we believe the Department must satisfy itself that sponsors upgrade their enrollment practices so that only youths who have the identified dropout potential characteristics, in addition to being members of poverty-level households, are enrolled.

Recommendations to the Secretary of Labor

We recommend that the Secretary of Labor direct the Manpower Administration to (1) complete its reassessment of eligibility criteria and develop whatever criteria it believes will best aid the desired target population and

(2) require sponsors to consider the dropout characteristics of applicants in making eligibility determinations to insure that only potential dropouts are enrolled in the in-school and summer programs.

Agency comments

The Department, commenting on a draft of our report (see app. I), stated that it was developing a new list of dropout characteristics for use in selecting NYC in-school program enrollees. The Department stated also that applicants would be required to possess a certain number of these characteristics to be eligible.

CHAPTER 3

OPPORTUNITY FOR IMPROVING WORK EXPERIENCE AND TRAINING PROVIDED TO ENROLLEES

For most youths participation in the work experience and training offered by the in-school program appeared to provide tangible benefits. Besides providing the enrollees with paid work experience that might otherwise not have been available, the in-school program also offered enrollees the opportunity to acquire good basic work habits, such as proper attitudes toward work, punctuality, and dependability.

But the Department has indicated that it expects sponsors to provide enrollees with work experience and training that does more than this. In March 1970 the Department stated that evaluations and studies of the in-school program had indicated that much of the work performed by participants afforded little meaningful work experience or training. The Department further stated that on the basis of these studies, as well as its own experience, the in-school program would be reordered to develop a more individually oriented program which would offer real preparation for employment to students deemed potential dropouts. The Department also stated that preparation for employment would be given to enrollees through skill training and work experience which would help the enrollees acquire the work habits and attitudes necessary for holding a job.

A large number of the enrollees were not receiving the type of work experience and training considered desirable by the Department in the three areas reviewed. Most sponsors stated that assigning enrollees to meaningful work was a continuing problem. Many youths were working at jobs that provided no skill development, offered little opportunity for diversified work experience, or were unrelated to their interests. The availability of certain types of jobs--rather than job development designed and directed at broadening enrollees' employment aspirations--appeared the largest single factor in determining work assignments.

NEED TO DEVELOP JOBS THAT WILL INSURE MEANINGFUL WORK ASSIGNMENTS

The in-school programs conducted in Harris County, Norfolk, and the Washington metropolitan area were intended to provide meaningful work experience to about 2,300 economically disadvantaged youths. We believe that this goal was met for some participants. For others, however, it did not appear that the type of work experience received significantly developed skills, broadened the participants' work experience, or enhanced the participants' occupational objectives. Generally young women were more likely to benefit from their work experience assignments than were the young men.

Although a variety of work assignments were available under each of the sponsor's programs, many of the total assignments involved jobs with limited learning opportunities. For example, about 85 of the sample of 279, or 30 percent, were involved in custodial work involving cleaning floors, washing windows, and general housekeeping. One sponsor, in guidelines issued to school officials discussing the types of training assignment that should be made, stated that:

> "Preferential consideration must be given to work assignments that have post-high school value for the student. In today's labor market, custodial type jobs can be obtained without experience, prior training, or a high school education. Also, they are not a realistic career choice for high school graduates."

In the Washington metropolitan area, 23 youths in our sample--or about 8 percent of the total sampled in all three areas--were members of a courtesy patrol. Their duties were to patrol neighborhoods and help residents carry groceries, help elderly people off buses, help remove litter, and maintain general surveillance over neighborhood streets.

It is questionable whether the participants received much useful work experience. In our visits to work stations employing courtesy patrol members, over half the sampled youths, approximately 57 percent, were not engaged in any

meaningful or productive activity. For example, we spent 2 hours visiting a courtesy patrol work station which had about 20 members in attendance and which provided the work experience for four of the enrollees in our sample. All the courtesy patrol members were assembled in the same room with no apparent work to perform. During the entire length of our visit, not one left the room to patrol the streets or serve residents. We saw youths idle at other patrol work stations.

While most of the 263 enrollees we interviewed about their work assignments believed their assignments meaningful, those who expressed dissatisfaction were normally involved in custodial work or assignments like that of the courtesy patrol, offering little or no skill development. About 9 percent of the interviewed enrollees stated that they thought their work was meaningless. Some stated that their assignments were unrelated to their future goals. Others stated that their assignments had not provided any training or that the work was not significant or expressed a specific dislike of custodial labor.

Most youths received a single assignment during a program year and were not rotated among jobs to get the benefits of diversified work exposure. In several instances youths had spent 2 or more years in the in-school program without changing assignments. A large percentage of the sampled youths, over 47 percent, also indicated to us that sponsor officials had never questioned them as to job interests or preferences. The work assignments of the enrollees in our sample are shown in appendix III.

The studies conducted for the Department have shown that many jobs, like those involving largely custodial work, may be disillusioning to the participants and viewed as "dead end" jobs. These studies have also shown that females generally tend to obtain better work experience under the program. We found that they were normally assigned jobs as teacher aides, clerical assistants, or similar positions, which were more likely to result in their developing skills that would assist in preparing them for post-high-school employment.

PROBLEMS OF SPONSORS IN OBTAINING WORK ASSIGNMENTS FOR ENROLLEES

Sponsors in each of the three areas informed us that providing meaningful work experience for enrollees has been a continuing problem. For the most part, sponsors have largely depended upon users, such as schools, libraries, and hospitals, to provide the specific work stations to which enrollees will be assigned and stated they had little control over the type of assignments that are offered to the participants. In each area the school systems were the major suppliers of work stations and offered only a small variety of possible jobs. Generally these were either custodial, recreational, or clerical. One Harris County sponsor had a further problem in assignments since the area served had no public transportation and jobs had to be found within reasonable commuting distance of the participants' homes.

CONCLUSIONS

Essentially each sponsor was conscientiously attempting to offer some form of paid work experience to as many disadvantaged youths as possible. To achieve this goal, sponsors appeared inclined to accept whatever jobs user agencies made available. They did not appear to be trying to develop jobs that provided skill training or broadened enrollees' vocational horizons, contrary to what was contemplated by the Department. A large percentage of enrollees had not been questioned about their occupational goals or interests and most were not being rotated between jobs.

The job development aspect of the in-school program warrants greater attention and priority by sponsors, if the Department is to achieve its objective of offering enrollees real preparation for employment. Specifically, increased emphasis should be placed on developing jobs that provide some skill training and that afford participants the opportunity to broaden their employment aspirations and self-esteem. Similarly sponsor efforts should be directed toward providing enrollees with diversified work experience, establishing formal work rotation programs, and attempting to identify and structure jobs that relate to enrollees' interests and aptitudes.

RECOMMENDATION TO THE SECRETARY OF LABOR

We recommend that the Secretary of Labor direct the Manpower Administration to emphasize to sponsors the need for developing meaningful and diversified work assignments, consistent with the occupational goals or interests of the enrollees, and provide such technical assistance as may be needed to increase the availability of such work assignments.

AGENCY COMMENTS

The Department concurred that there was a need for more meaningful assignments for enrollees and cited certain innovative programs it has instituted to provide such assignments within the limitations of available funds. But the Department noted that, because of the limited availability of work and limited available funding, the difficulty in providing meaningful assignments will continue in many areas.

CHAPTER 4

IMPROVEMENT NEEDED IN COUNSELING PROVIDED TO ENROLLEES

The Department considers counseling one of the important supportive services that sponsors are expected to provide. Reports issued by various organizations, written by individuals prominent in evaluating manpower programs, have recognized quality counseling as an important supportive service in manpower programs. These reports indicate that counseling is valuable and serves specific needs in a number of areas; for example:

--To convince enrollees to complete high school.

--To improve social behavior and employability and reduce delinquent behavior of enrollees.

--To prepare the enrollee for his program and job experiences.

--To help enrollees meet problems as they arise.

--To help enrollees establish vocational goals.

The Department expects sponsors, through their counseling programs, to advise participants concerning the importance of school attendance and educational achievement and to assist them in dealing with personal, social, vocational, and economic problems. Under departmental criteria the sponsor is to make available both group and individual counseling to each enrollee.

Each sponsor reviewed was providing some counseling. Considerable variance existed, however, in the quality of the counseling programs. One Harris County sponsor, the Neighborhood Centers Day Care Association, appeared to provide a high-quality counseling program, with enrollees being regularly counseled and, in some cases, with counseling being extended to their families. While there is no conclusive evidence that the counseling had an impact on dropout rates, none of this sponsor's enrollees in our sample with dropout tendencies dropped out.

COUNSELING PROGRAM OF
NEIGHBORHOOD CENTERS DAY CARE ASSOCIATION

Under this program the Project Director or his assistant initially counseled each new enrollee on the goals of the in-school program, the sponsor's regulations and requirements, and the operating procedures that enrollees were expected to follow. Three part-time counselors--one with a master's degree and two with bachelor's degrees--all having experience in either elementary, secondary, or special education provided subsequent enrollee counseling. Each counselor was responsible for counseling between 60 to 65 of the in-school program enrollees. This sponsor was providing both group and individual counseling services.

Group counseling was provided monthly to all enrollees, and their attendance was mandatory. During the 3-hour sessions, the counselors led group discussions on such practical topics as career planning, enrollment in college or vocational school, supervisor-enrollee relationships, parental-enrollee relationships, and personal budgeting. Data from the sponsor indicated that audiovisual aids were used to make the sessions interesting and informative and resource persons from local county agencies and educational institutions were used extensively.

Some of the sessions involved field trips which were designed to introduce the enrollee to the world of work or which the sponsor considered to be educational. The field trips included visits to art museums, State parks, a marineland and other points of interest.

This sponsor's counselors were expected to visit work stations at least monthly and to deal with any apparent problems that individual enrollees were having. These counselors were also expected to deal with family problems and to counsel enrollees' parents. A sponsor official advised us that, to provide assistance to the families of the enrollees, referrals were made to other agencies, such as those dealing with mental health, comprehensive services, and vocational guidance.

Interviews with our sample of enrollees in this sponsor's program disclosed that each participant felt that counseling had been helpful. Moreover, all participants interviewed

indicated that they believed a counselor was accessible to them if needed. These participants appeared to have been particularly impressed with the counseling provided on such subjects as drug abuse, college preparation, and sex education. One enrollee mentioned that a counselor had provided counseling to another family member.

OPPORTUNITY TO STRENGTHEN OTHER SPONSORS' COUNSELING PROGRAMS

Unlike the Neighborhood Centers Day Care Association, other sponsors did not appear to have high-quality counseling programs. Our evaluation of these sponsors' programs disclosed a variety of problems that require the continued attention of both the sponsor and the Department, as discussed below.

Counseling programs of the other Harris County sponsors

One of the other Harris County sponsors employed one part-time counselor to provide individual and group counseling for the authorized 152 in-school enrollees. Although this counselor appeared well qualified, we do not believe that one individual can effectively provide counseling to such a large group.

The counselor provided biweekly group counseling to enrollees. Individual counseling, however, was provided only when specifically requested by the enrollee, a work supervisor or other program official, or by a parent. Almost half this sponsor's enrollees included in our sample indicated to us that they had never spoken to the counselor, a situation which, in our view, was attributable to the heavy workload of the counselor.

The third Harris County sponsor, although one part-time counselor was available at the start of the 1970-71 school year, did not implement a counseling program until 4 months after the school year started, when two additional part-time counselors were employed. Under the program no preenrollment counseling was provided because the program director did not believe that much variety existed in the types of jobs that could be offered participants. Group and individual counseling were provided extensively. The program director told us

that the goal of the program was to provide biweekly individual counseling to all enrollees and to provide monthly group counseling.

Counseling program of Norfolk sponsor

The Norfolk program's sponsor employed three counselors. Each was responsible for a specific geographic area and for a specified number of enrollees. The number of enrollees assigned to each counselor, as of February 1971, was as follows:

Counselor	Geographic area	Enrollees
A	Virginia Beach and Chesapeake area	30
B	Norfolk	93
C	Portsmouth and outlying areas	83
	Total	206

The sponsor's contract with the Department provided that each in-school enrollee receive 1 hour of counseling per week. Individual counselors informed us that their responsibilities included both group and individual counseling. Only one counselor, serving the Virginia Beach-Chesapeake areas, was attempting to furnish regular group counseling. This counselor was holding monthly group counseling sessions for 17 enrollees from the Chesapeake area but had no program for the 13 enrollees from the Virginia Beach area.

The counselor for the Chesapeake-Virginia Beach area informed us that he considered his monthly group-counseling sessions as also fulfilling the requirements for individual counseling. At the conclusion of a group session we observed, he inquired whether any enrollee had any questions or desired individual counseling and all enrollees present received credit for 1 hour of individual counseling. The other two counselors told us that individual counseling was provided only on an "as needed" basis. They did not record the individual counseling furnished.

Of the 70 enrollees we interviewed, 49 percent told us that they had never received group counseling and 67 percent stated that they had never received individual counseling.

Counseling service provided by
the Washington metropolitan area program

Under the Washington metropolitan area program, there were nine subsponsors, i.e., those organizations that provided work stations for enrollees, who were also responsible for providing individual and group counseling to enrollees. To determine the type of counseling available to enrollees, we contacted officials of each of the subsponsors with the following results.

--Six of the nine subsponsors did not have formal counseling policies.

--Six of the nine advised us that individual counseling was provided to enrollees either weekly, biweekly, or monthly; two other subsponsors indicated that both individual and group counseling were provided either weekly or monthly; and one subsponsor, which had about 60 percent of the enrollees in the Washington area, indicated that individual counseling was provided monthly to about two-thirds of its enrollees and that either individual or group counseling was provided weekly to its remaining enrollees.

--Three subsponsors did not record the nature and frequency of the counseling provided for certain enrollees. These enrollees constituted about 36 percent of the total program enrollment.

Our interviews with 109 enrollees in our sample indicated, however, that about 50 percent of these youths had never received either group or individual counseling and that about 28 percent of the youths in the sample were not even aware that a counselor was available, if needed.

CONCLUSIONS

The Department and the sponsors should direct more attention to improving counseling. Specifically the Department and the sponsors should insure that counseling is available at the start of program operations, that individual counselors' workloads are manageable, and that formal counseling programs are established and carried out systematically. The Department should monitor the nature and frequency of both individual and group counseling, and sponsors should maintain

adequate records on the counseling provided and the progress and counseling needs of the enrollees.

RECOMMENDATIONS TO THE SECRETARY OF LABOR

We recommend that the Secretary of Labor direct the Manpower Administration to emphasize to sponsors the importance of adequate and intensified counseling in encouraging dropout-prone youths to continue their schooling and (2) as part of its contract award procedures, insure that sponsors can provide adequate counseling to all enrollees.

AGENCY COMMENTS

The Department concurred in our recommendations for improving counseling. It stated that because of funding limitations the emphasis has been to serve as many persons as possible at the lowest cost per enrollee and, in so doing, intensive counseling has been minimized. It suggested that perhaps a new approach is needed in which fewer people are served more intensively. The Department also advised that it would soon issue a counseling handbook incorporating redesigned criteria and performance standards for counselor positions, which should improve the performance of in-school counselors.

CHAPTER 5

REMEDIAL EDUCATION NOT ADEQUATELY EMPHASIZED

The Department has stated that remedial education--defined as basic education in reading, writing, arithmetic, and communication--is both a necessary and beneficial component of the in-school program. The Department's goal in emphasizing remedial education is to enable each enrollee to achieve a performance level equal to his general ability and aptitude and to enhance his future employment prospects. Provision of remedial education services to the in-school enrollees is to be based upon the individual needs of enrollees and the availability of such education through the regular school curriculum.

Under departmental guidelines sponsors are expected to coordinate, wherever possible, the special educational needs of their enrollees with the supplemental vocational training and remedial education programs offered by State and local public educational agencies.

Despite the importance the Department placed on this segment of the program, high percentages of youths in apparent need of remedial education were not receiving it in any of the three areas reviewed. The specific results of our review of this matter are summarized in the table below.

	Total youths in sample	Total youths in sample with poor grades	Total youths in remedial education or special education classes
Washington metropolitan area	109	56	11
Norfolk	80	43	2
Harris County	90	39	10
Total	279	138	23

Only about 5 percent of the youths with poor grades were receiving special assistance in Norfolk, 26 percent in Harris County, and 20 percent in the Washington metropolitan area. In discussions with 68 school guidance counselors of 97 sample enrollees in the Washington metropolitan area,

the counselors told us that they would have recommended a remedial education program for 45 of the sample enrollees but not for the 52 others. Over two-thirds of the counselors we interviewed said they had not been contacted by NYC program personnel during the 1970-71 school year.

Sponsors and subsponsors generally indicated that they did not consider providing remedial education part of their responsibilities. They relied on their respective school systems to provide remedial education to enrollees through regular curriculums. Consequently, while some enrollees did receive remedial education, it appears that respective school systems provided this service to enrollees without regard to their participation in the NYC program. As a result, many of the in-school enrollees who might have benefited from remedial education through specific efforts of sponsors did not receive it.

For example, the Norfolk sponsor stated, that it was reluctant to offer this service since the school systems might regard it as an intrusion, possibly damaging the working relationships that the sponsor had developed with the schools. This sponsor informed us that it had not tried to get the public schools to provide remedial education to enrollees needing it.

CONCLUSIONS

As indicated in our discussion of the effectiveness of the in-school program in keeping disadvantaged youths in school (ch. 2), poor school achievement is one of the primary characteristics of the potential dropout. Weaknesses in basic education skills, such as reading and mathematics, not only increase a student's dropout potential but also hamper his future employment prospects. Therefore, it seems that, to help enrollees maintain school attendance and improve their future job opportunities--principal objectives of the in-school program--the Department needs to insure that enrollees in need of remedial education receive it.

RECOMMENDATIONS TO THE SECRETARY OF LABOR

We recommend that the Secretary of Labor direct the Manpower Administration to emphasize to the sponsors the objectives of the remedial education program, to maximize

their acceptance and support of this element of the in-school program, and (2) together with the sponsors, enlist the cooperation of the schools in identifying the remedial education needs of in-school enrollees and in insuring that those enrollees who would benefit from it are offered the opportunity to receive it.

AGENCY COMMENTS

The Department agreed that enrollees need remedial education but pointed out that the schools are primarily responsible for furnishing it. The Department acknowledged, however, that the sponsors and the Department's field representatives also have a responsibility to insure that the schools address the need for remedial education. According to the department, regional office training programs are placing renewed emphasis on the need for remedial education as an added method of preventing students from dropping out.

CHAPTER 6

MONITORING SPONSOR PROGRAM OPERATIONS

The Department has delegated responsibility for monitoring sponsor program operations to RMAs and DCMA. This monitoring is intended to insure sponsor compliance with contractual requirements and departmental policies and procedures, to identify the strengths and weaknesses of the sponsor's program, and to recommend program and administrative improvements where necessary. Generally monitoring is accomplished by maintaining contact with sponsors through onsite inspections and reviews of required sponsor reports.

The in-school programs in the three areas were not being effectively monitored. Onsite inspections of sponsor activities were either not being performed or were largely cursory. Sponsor self-appraisal reports, intended by the Department to highlight both program accomplishments and problems requiring attention, were either not being submitted or were not providing any meaningful insight into program activities.

ONSITE MONITORING

Onsite inspections for the three areas reviewed were ineffective. Generally monitoring visits were performed infrequently or not at all and were largely cursory.

Norfolk program

No onsite monitoring visits had been made of the 1970-71 Norfolk in-school program before the completion of our fieldwork in February 1971. The Department's responsible regional monitoring official advised us that he had been too busy to monitor the Norfolk program before November 1970 and since that date he had been waiting for the completion of our review. According to the Norfolk sponsor's executive director, no monitoring visits had been made to the Norfolk project since his appointment to that position in 1968.

The responsible regional monitoring official informed us that onsite inspections at other locations were usually made in a single day. He stated that enrollees were not interviewed to determine their reactions to the counseling, work experience, or supervision. We were advised that

enrollee work stations might or might not be visited depending on the time available. On the basis of monitoring reports for other in-school programs provided by this official, the onsite inspections at locations other than the Norfolk area appeared to consist largely of interviews with sponsor personnel and examination of records.

Harris County program

Onsite inspections had been performed during the 1970-71 in-school program at least once for all sponsors in the Harris County program. One sponsor had, in fact, been visited twice at the time of our review. Onsite inspections, however, were limited to 1- or 2-day visits. Officials of two sponsors informed us that individual work stations had not been visited nor had monitors reviewed fiscal records during their most recent onsite inspections.

Washington metropolitan area program

In addition to the prime sponsor, there were nine subsponsors involved in the Washington metropolitan area program during the 1970-71 school year. DCMA's monitoring representative visited the prime sponsor and two of the nine subsponsors during the school year. Each of the three onsite inspections was made in 1 day and did not consider certain significant aspects of the sponsor's and subsponsors' activities, such as the adequacy of time and attendance reports and whether in-kind contributions were properly accounted for. The prime sponsor had visited all nine subsponsors during the school year but these visits also appeared to have overlooked important performance and fiscal aspects of the program.

SPONSORS' SELF-APPRAISALS

The Department's instructions require sponsors to objectively self-appraise their program operations, at least every 6 months, to highlight strengths and weaknesses and to find where policy or operational changes may be needed. Such self-appraisals are intended to (1) include the sponsors' assessment of the impact of their programs on improving enrollees' attitudes, educational levels, and employability and of the capability and contributions of the sponsor's staff in attaining program goals and (2) aid in developing plans to correct problem areas.

Although considerable potential for improving program effectiveness exists in the self-appraisal concept, RMAs were generally not requiring such evaluations from sponsors. In one instance, involving the Norfolk program, neither the sponsor nor the field representative of the RMA was even aware that self-appraisal was required. A more typical situation, however, appeared to be that sponsors did not consider the requirement to be of particular importance to the Department. Regional officials had not contacted one sponsor in recent years as to why it had not submitted self-appraisal reports. Two other sponsors were submitting reports that were not evaluative and were submitting them as late as a year after program year completion without challenge or question by regional officials.

Regarding these latter instances, the RMA informed us that comments would be submitted to sponsors on all future self-evaluations to dispel the belief that these reports were not important to the Department. The RMA also stated that failure by sponsors to submit reports or determinations that sponsors' reports were not meaningful would be brought immediately to sponsors' attention.

The remaining sponsor was not submitting self-appraisal reports although, in this case, the Department's regional representatives were actively trying to get the sponsor to do so.

The Department issued a comprehensive regional monitoring handbook in July 1971 providing for systematic monitoring of individual manpower programs and components. The handbook identifies five distinct activities involved in the monitoring process consisting of (1) reviews of sponsors' self-appraisal reports, (2) desk reviews and analyses of other sponsor reports and records to identify current or potential problems or needs, (3) onsite monitoring and analysis on a specified frequency schedule, (4) post-onsite analysis, reporting, and followup, and (5) a questionable activities report system for use if indications of fraud, criminal malfeasance, or gross mismanagement are found. The handbook requires three monitoring visits during the year; they are to be made within 30 days, 120 days, and 270 days after the contract award.

The Department's comprehensive monitoring system, as set forth in its 1971 handbook, with its requirements for a

minimum frequency of onsite monitoring and emphasis on reviews of sponsor reports, including the 6-month self-appraisal reports, should provide a basis for a realistic assessment of sponsors' program activities. Effective monitoring, however, depends not only on the availability of good guidelines but on their effective implementation.

RECOMMENDATION TO THE SECRETARY OF LABOR

Because ineffective monitoring has in the past been a persistent problem, we recommend that the Secretary of Labor direct the Manpower Administration to further emphasize to its regional offices the importance of effectively implementing the new monitoring guidelines.

AGENCY COMMENTS

The Department expressed the following opinion on our recommendation.

> "The new monitoring handbook provides a basis for realistic assessment of the sponsor's program activities and guidelines for effective implementation. The monitoring handbook will also provide the local Government Authorized Representative (GAR) with the tools for determining the need for technical assistance and corrective action. With these tools at his disposal, the GAR should be able to discern such problems as inadequate payroll and other fiscal procedures, as well as programmatic problems."

We generally agree with the Department's assessment of its comprehensive regional monitoring handbook. However, because good guidelines will not automatically insure their effective implementation, we believe the Department should emphasize to its regional offices the importance of effectively implementing the new guidelines and, through its own reviews, insure that the implementation is effective.

CHAPTER 7

NEED FOR IMPROVEMENTS IN PAYROLL CONTROLS

Our review of payroll operations showed a need for three of the five sponsors to improve controls over enrollee payrolls to insure that accurate and complete records are maintained and that unauthorized expenditures are avoided.

Effective controls for enrollee payrolls are necessary because of the large numbers of enrollees, the dispersed areas in which they work, and the varied kinds of supervision provided at each program location.

The Department's manual on financial management requirements for use by program sponsors requires that all program costs be documented and supported and that:

--Time and attendance reports be signed by both the enrollees and their supervisors and show the actual hours worked.

--Payroll preparation be completely separated from disbursement. Payroll checks must not be routed into the payroll organization but must be delivered directly to program offices and job centers. Frequently the distribution of salary checks by supervisors cannot be avoided. Such distribution eliminates the control obtained by the separation of responsibility for time reports and for check distribution. This can be minimized by the periodic distribution of salary checks and identification of recipients by members of the sponsor's staff with no responsibility for payroll or check preparation.

None of the three sponsors provided subsponsors and host agencies with written guidelines for timekeeping and other payroll procedures. One of these sponsors had written procedures for its internal use. The other two sponsors had no written payroll procedures. We believe that the absence of specific written payroll and timekeeping guidelines in the above-cited instances contributed, in large part, to a series of deficiencies in payroll and timekeeping procedures and recordkeeping.

We noted instances where:

--Persons responsible for timekeeping and payroll preparation were also distributing checks.

--Enrollees had prepared their own time and attendance records and, in one case, an enrollee had prepared the time and attendance records of other enrollees.

--Time and attendance records did not always show the hours worked by enrollees and some supervisors indicated that enrollees' wages had not been reduced for absences or tardiness.

--Time and attendance records had been filled out in advance, had not been signed by the enrollees, or had not been certified by the supervisors.

CONCLUSIONS

The sponsors should have been more responsive to the Department's financial requirements for payroll operations and the Department should specifically emphasize eliminating the weaknesses that we noted in the sponsors' payroll procedures, practices, and internal control.

Also all sponsors should be required to maintain written instructions on payroll operations and to distribute pertinent segments of such instructions to the agencies who provide enrollee work stations and maintain enrollee time and attendance records.

RECOMMENDATIONS TO THE SECRETARY OF LABOR

We recommend that the Secretary of Labor direct the Manpower Administration to (1) require program sponsors to develop and distribute written instructions on payroll procedures, including instructions to properly and accurately record enrollees' work time, and (2) emphasize to its program monitors the need for insuring, in accordance with the Department's comprehensive regional monitoring handbook issued in July 1971, that sponsors comply with the Department's financial requirements for payroll operations.

AGENCY COMMENTS

The Department stated that, although it has consistently emphasized to sponsors the value of having a good accounting system, it is aware that some projects still need improvement.

The Department cited the following efforts by the Dallas regional staff to improve sponsors' fiscal management:

> "The Dallas regional staff has done intensive training of sponsor staff in the area of fiscal management. In addition, they have initiated management training through the Civil Service Commission training facilities. This course has been developed with the assistance of our Dallas regional staff in order to make it relevant to the needs of project sponsors. The first of these training efforts is in progress now with good results received."

CHAPTER 8

SCOPE OF REVIEW

We reviewed the 1970-71 NYC in-school program in the Washington metropolitan area; Norfolk, Virginia; and Harris County, Texas, to determine whether program effectiveness had been improved since our prior reviews of the NYC program in 1968 and to evaluate certain aspects of program administration.

We reviewed the applicable legislation and Department policies for administering the program. We examined program documents, reports, correspondence, and other records and interviewed program officials at the offices of the sponsors, subsponsors, and school systems. In addition, we reviewed records and interviewed officials of the Manpower Administration at its headquarters, at DCMA offices in Washington, D.C., and at its regional offices in Philadelphia, Pennsylvania, and Dallas, Texas. We visited NYC program work stations and interviewed enrollees and their work station supervisors. Also, we discussed the matter of school dropouts with officials of the Research Division of the National Education Association.

During our review, we used randomly selected samples of the records of enrollees, sponsors, subsponsors, and DCMA. The methodology followed in obtaining our samples and the use made of these samples are described below.

METHODOLOGY USED IN SELECTING STATISTICAL SAMPLES OF PROGRAM ENROLLEES AND NONENROLLEES

To obtain information about enrollees at each location, we randomly selected a group of 279 enrollees from 2,116 enrollees at the three locations. We interviewed the enrollees in this sample, their work supervisors, and their school guidance counselors; observed the work stations of these enrollees; and examined related school and sponsor records. Because some youths included in our sample could not be located or because information on them was not available,

our tests, as discussed in various sections of the report, relate to fewer than the total number in the sample.

For an independent measurement of the effectiveness of the 1970-71 in-school program in permitting youths to resume or maintain school attendance, we also randomly selected a control group of 190 youths to compare the dropout rate of the control group with the dropout rate of the enrollees. Control groups were selected only in the Washington metropolitan area and in Harris County and consisted of youths considered eligible on the basis of age and family incomes but not accepted because of limitations in enrollments. The control group sample was drawn from a population of 2,263 youths. We were unable to obtain a control group sample for the Norfolk area because the sponsor did not maintain pertinent records.

Tests of significance were used in analyzing comparable information derived from the enrollee and control group samples. The tests provide a mechanism for determining, with known risks, whether the observed difference in responses is due to chance (sampling variations) or due to some assignable cause, such as difference in population.

APPENDIX I

U.S. DEPARTMENT OF LABOR
OFFICE OF THE ASSISTANT SECRETARY
WASHINGTON

DEC 26 1972

Mr. Morton E. Henig
Associate Director
Manpower and Welfare Division
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Henig:

We have reviewed the General Accounting Office draft report entitled, "Effectiveness and Management of the Neighborhood Youth Corps In-School Program at Three Locations." For your convenience, our replies to the recommendations are in the same order as presented in the report.

1. The report discusses eligibility criteria and the fact that enrollees are often selected without apparent regard to the criteria.

   A telegram was sent to the regional offices on August 18, 1972, transmitting the 21 Dropout Characteristics and reminding the regions of the importance of considering these characteristics in the selection of In-School enrollees. Suggestions as to additional characteristics were requested and were received from several regions. These, in addition to new National Education Association (NEA) characteristics, will form the basis for a new list. Prospective enrollees will be required to possess a certain number of characteristics before they are considered eligible. The exact number, along with the new list, is currently being assessed.

2. Emphasize to sponsors the need for developing meaningful and diversified work assignments.

   We concur with the need for more meaningful jobs. We stress this continually and upgrading is increasing with telling results. While the NYC program is limited to the public and private nonprofit sector, this will continue to be a problem in many areas. The lack of transportation funds will continue to preclude more distant, but better, worksites for enrollees. We are attacking these problems within the limitations of available funds through innovative programs such as:

   a. Vocational Exploration in the Private Sector (recently expanded from nine to twenty cities);

b. Cooperative Education and Work Experience joint efforts with State Education Vocational resources;

c. The NYC Goes to College program (being strengthened and expanded);

d. Youth Tutoring Youth, Sesame Street, and Special Program Action to Renew the Environment.

Manpower Administration regional offices have requested that the more menial occupational codes be eliminated in allowable work assignments.

3. Emphasize to sponsors the importance of adequate and intensified counseling efforts.

We agree that, as a rule, quality counseling is the key to success in these programs. This is consistently stressed. Here again, however, funds are too limited to provide even one counselor in many projects. Far too heavy case loads exist in practically all of the projects. Schools have no counselors in many areas and impossible loads where there are counselors. A study of project staff in the Dallas region shows an overall average of 60 to 80 enrollees for each counselor or counselor coordinator, except for the three largest NYC projects in that region.

The Philadelphia region has found that the counseling component of any In-School project is dependent on the money available and the enthusiasm and capability of the counselors involved. The emphasis of the program has been to serve as many people as possible for the lowest possible cost per slot. In so doing, intensive counseling has been minimized. Perhaps a new approach is needed in which fewer people are served more intensively.

A work group within the Manpower Administration is presently redesigning criteria for the positions of employability counselors, counselor-trainees, placement specialists and program coaches. Also, performance standards are being developed which will provide guidance for these new positions. The work group has placed this material in clearance and is now reviewing the comments received. The results will be incorporated in a counseling handbook to be used with the NYC programs. This material should be ready for distribution in the near future. We expect that the guidance contained in this issuance will prompt improvement of the performance of NYC In-School counselors.

4. Emphasize to sponsors the objectives of the remedial education program.

Remedial education, we agree, is needed; but it is the responsibility of the school which refers the enrollee to furnish this service. Remedial education is supposed to be a component of the regular educational system and available to all who need it.

The school should identify and provide for the educational needs of enrollees within the school week. However, the sponsor and the Government Authorized Representative also have a responsibility to see that the schools address this need. Training within the regional office is placing renewed emphasis on the need for remedial education as an added prevention of dropouts.

5. Further emphasize to its regional offices the importance of effectively implementing the new monitoring guidelines.

The new monitoring handbook provides a basis for realistic assessment of the sponsor's program activities and guidelines for effective implementation. The monitoring handbook will also provide the local Government Authorized Representative (GAR) with the tools for determining the need for technical assistance and corrective action. With these tools at his disposal, the GAR should be able to discern such problems as inadequate payroll and other fiscal procedures, as well as programmatic problems.

6. Require program sponsors to develop and distribute written instructions on payroll procedures.

There is a wide variation in the quality of accounting procedures applied by the various sponsors. A large part of our monitoring effort is aimed at fiscal management, including payroll procedures. Although we have consistently emphasized to sponsors the value of having a good accounting system, we know that some projects still need improvement in this area.

The Dallas regional staff has done intensive training of sponsor staff in the area of fiscal management. In addition, they have initiated management training through the Civil Service Commission training facilities. This course has been developed with the assistance of our Dallas regional staff in order to make it relevant to the needs of project sponsors. The first of these training efforts is in progress now with good results received.

APPENDIX I

The GAO draft report on the NYC In-School program is a well reasoned analysis of the three projects visited. The recommendations on the need to more carefully select enrollees from among potential school dropouts, and on the need for an effective counseling component, are well supported and are accepted by the Manpower Administration. The need for corrective action in all those areas discussed by the GAO report is recognized. Corrective action is being taken. New directions and guidelines will soon be sent to the field in an effort to eliminate or diminish the problems cited by the GAO report.

Sincerely,

TOM KOUZES
Deputy Assistant Secretary for
Administration and Management

APPENDIX II

HIGH SCHOOL DROPOUT CHARACTERISTICS IDENTIFIED BY THE DEPARTMENT OF LABOR FOR CONSIDERATION BY SPONSORS IN ENROLLEE ELIGIBILITY DETERMINATIONS

1. Being a member of a poverty-level household (according to current poverty guidelines).
2. Having frequent absenteeism.
3. Having poor grades and repeated subject failure.
4. Having financial problems.
5. Frequently transferring from one school to another.
6. Having an immediate desire to work and earn money.
7. Having health problems or physical disfiguration.
8. Being over average high school age.
9. Being married or pregnant.
10. Having a record of repeated confrontations with police.
11. Having overcrowded living quarters.
12. Having family members who dropped out.
13. Having social difficulties with peers.
14. Having peers with dropout records.
15. Having an unstable household.
16. Having alcoholism or drug addiction in the family.
17. Having parents who lack interest and do not participate in school affairs.
18. Having a lack of parents' support or guidance.
19. Having attitudinal or adjustment problems.

APPENDIX II

20. Having a lack of motivation.

21. Having an unwillingness to have learning ability tested.

ANALYSIS OF WORK ASSIGNMENTS BY SEX

OF A SAMPLE OF ENROLLEES IN IN-SCHOOL PROGRAMS

IN NORFOLK, VIRGINIA; HARRIS COUNTY, TEXAS;

AND THE WASHINGTON METROPOLITAN AREA

Work assignment	Males	Females	Total	Percent of total number of enrollees
Custodial aides (note a)	81	4	85	30.5
Clerical aides	9	59	68	24.4
Recreation aides (note b)	15	10	25	8.9
Courtesy patrol	23	-	23	8.2
Instructional aides--tutor or teacher aides	3	27	30	10.7
Library aides	4	13	17	6.1
Nurse's aides, laboratory aides, or clinic aides	-	8	8	2.9
Food service aides	3	6	9	3.2
Auto mechanic aide	1	-	1	.4
Personnel aides	1	1	2	.7
Community worker	1	-	1	.4
School store clerk	-	1	1	.4
Messengers	2	-	2	.7
Information not available	6	1	7	2.5
Total	149	130	279	100.0

[a]Job titles were variously described by such terms as "custodial aides," "public housing aides," "janitorial aides," "sanitation aides," and "maintenance aides." Regardless of the description, the work was found to be comparable.

[b]Job titles were also described as athletic aides or physical educational aides. Regardless of the description, work was found to be comparable.

APPENDIX IV

PRINCIPAL OFFICIALS OF

THE DEPARTMENT OF LABOR

RESPONSIBLE FOR ADMINISTRATION OF

NEIGHBORHOOD YOUTH CORPS PROGRAM

	Tenure of office	
	From	To
SECRETARY OF LABOR:		
Peter J. Brennan	Feb. 1973	Present
James D. Hodgson	July 1970	Feb. 1973
ASSISTANT SECRETARY FOR MANPOWER:		
Paul J. Fasser, Jr. (acting)	Jan. 1973	Present
Malcolm R. Lovell	July 1970	Jan. 1973
MANPOWER ADMINISTRATOR:		
Paul J. Fasser, Jr.	Oct. 1970	Present